

Exhibit 10

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **January 19, 2017**

AVAYA INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation)

001-15951
(Commission File Number)

22-3713430
(IRS Employer
Identification No.)

4655 Great America Parkway
Santa Clara, California
(Address of principal executive offices)

95054
(Zip Code)

Registrant's telephone number, including area code: **(908) 953-6000**
N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On January 19, 2017, Avaya Canada Corp., as Canadian borrower, Avaya UK, as U.K. borrower, Avaya International Sales Limited, as Irish borrower, Avaya Deutschland GmbH and Avaya GmbH & Co. KG, as German borrowers, Avaya UK Holdings Limited, as U.K. guarantor, Avaya Holdings Limited, as Irish guarantor, Avaya Germany GmbH, Tenovis Telecom Frankfurt GmbH & Co. KG, and Avaya Verwaltungen GmbH, as German guarantors, the Subsidiary Guarantors, as guarantors, Citibank, N.A., as administrative agent (in such capacity, the “Foreign ABL Agent”), Citibank N.A., Canadian Branch, as Canadian swing line lender, Citibank N.A., London, as European swing line lender, and the lenders that are parties thereto from time to time under the revolving credit facility (together with the Foreign ABL Agent, the “Foreign ABL Lenders”) completed the execution and delivery of a Forbearance Agreement (the “Forbearance Agreement”) pursuant to which, among other things, the Foreign ABL Lenders agreed to forbear from exercising certain rights as a result of the occurrence of certain events of default under the revolving credit facility (the “Foreign ABL Agreement”) of Avaya Inc. (the “Company”). The events of default for which the Foreign ABL Lenders agreed to forbear relate to the Company and certain of its affiliates filing voluntary petitions for relief under the Bankruptcy Code. The Forbearance Agreement also provides for, among other things, entry into a payoff letter which contemplates that all loans and other obligations that are accrued and payable under the Foreign ABL Agreement and the corresponding loan documents have been paid in full within 8 (eight) business days after January 19, 2017.

On January 19, 2017 (the “Petition Date”), contemporaneously with the Bankruptcy Petitions, as described under Item 1.03 of this Current Report on Form 8-K, the Debtors filed the Debtors’ Motion Seeking Entry of Interim and Final Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 364(C)(1), 364(C)(2), 364(C)(3), and 364(D)(1),(B) Use Cash Collateral, (C) Grant Adequate Protection; (II) Scheduling a Final Hearing, and (III) Granting Related Relief, requesting relief to repay approximately \$50 million in outstanding principal and cash collateralize approximately \$22.9 million in letters of credit issued and outstanding under the Foreign ABL Agreement upon entry of the Interim Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 364(C)(1), 364(C)(2), 364(C)(3), and 364(D)(1),(B) Use Cash Collateral, (C) Grant Adequate Protection; (II) Scheduling a Final Hearing, and (III) Granting Related Relief.

The foregoing description of the Forbearance Agreement does not purport to be comprehensive and is qualified in its entirety by reference to the full text of the Forbearance Agreement, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 1.03 Bankruptcy or Receivership.

On the Petition Date, the Company, together with certain of its affiliates, namely Avaya CALA Inc., Avaya EMEA Ltd., Avaya Federal Solutions, Inc., Avaya Holdings Corp., Avaya Holdings LLC, Avaya Holdings Two, LLC, Avaya Integrated Cabinet Solutions Inc., Avaya Management Services Inc., Avaya Services Inc., Avaya World Services Inc., Octel Communications LLC, Sierra Asia Pacific Inc., Sierra Communication International LLC, Technology Corporation of America, Inc., Ubiquity Software Corporation, VPNet Technologies, Inc., and Zang, Inc., (collectively, the “Debtors”) filed voluntary petitions (the “Bankruptcy Petitions”) for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). The Debtors have filed a motion with the Bankruptcy Court seeking joint administration of their chapter 11 cases (the “Chapter 11 Cases”) under the caption *In re Avaya Inc.*, et al., Case No. 17-10088 (Bankr. S.D.N.Y.). The Debtors will continue to operate its businesses as “debtors-in-possession” under the jurisdiction of the Bankruptcy Court and in accordance with applicable provisions of the Bankruptcy Code and orders of the Bankruptcy Court.

Item 2.04 Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement.

The filing of the Bankruptcy Petitions, as described under Item 1.03 of this Current Report on Form 8-K, constituted an event of default that accelerated the payment of the Company’s obligations including revolving

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit</u>	<u>Exhibit Name</u>
10.1	Forbearance Agreement dated January 19, 2017
99.1	Press Release dated January 19, 2017
99.2	PBGC Proposal dated December 16, 2016
99.3	Update on Contact Center M&A Process dated December 8, 2016
99.4	Project Arrowhead Cleansing Materials dated December 2016
99.5	Project Arrowhead Cleaning Materials Supplemental RemainCo Materials dated December 2016
99.6	Project Arrowhead Restructuring Term Sheet dated December 20, 2016
99.7	Project Arrowhead - Ad Hoc First Lien Group - Restructuring Term Sheet dated December 30, 2016
99.8	Project Arrowhead - Ad Hoc First Lien Group - Backup Term Sheet dated December 30, 2016
99.9	Project Arrowhead - Ad Hoc Crossover Group - Restructuring Term Sheet dated January 10, 2017
99.10	Project Arrowhead - DIP Summary dated January 18, 2017



EXHIBIT 99.3

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Project Arrowhead

Update on Contact Center M&A Process

[December 2016]





Overview of Interdependencies with RemainCo



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OVERVIEW OF INTERDEPENDENCIES WITH REMAINCO

Products, Services and Intellectual Property

	Avaya (Today)	CC Co (Day 1)	RemainCo (Day 1)
PRODUCTS	Enterprise =  Call Routing = Avaya Aura Call Center Elite + IP Telephony = Avaya Aura Communications Manager	Will Own	Will License to CC Co (for a fee) for Contact Center Solution Enablement
	Midmarket =  Call Routing = Avaya Aura IP Office Contact Center & Avaya Contact Center Select + IP Telephony = Avaya IP Office	Will Own	Will License to CC Co (for a fee) for Contact Center Solution Enablement
	Emerging Technologies Breeze Application Development Platform Communications Platform as a Service	Will Own & Will License to Remain Co Will Own & May License to Remain Co	
SERVICES	Avaya Private Cloud Services (APCS)	Will Own APCS Business (UC, CC & Networking)	Will Provide Required UC and Networking Support Under TSA Agreement
	Professional Services (Deploy & Consulting)	Will Own CC-related Services Business	Will Own Non CC-related Services Business
	Emerging Products and Technologies Applications Development Team	Will Own Emerging Technologies Applications Development Team	
IP	CC-specific Patents (~ 350 US Granted and ~250 non-US Patents and Applications)	Will Own & will License Relevant Patents to RemainCo	
	Other Patents Relevant to CC		Will License to CC Co for Contact Center Solution Enablement, Including Those Marked for Sale



= Avaya Call Routing software is currently reliant on Avaya IP Telephony software

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OVERVIEW OF INTERDEPENDENCIES WITH REMAINCO (CONT'D)

Customers, Partners and Go-To-Market

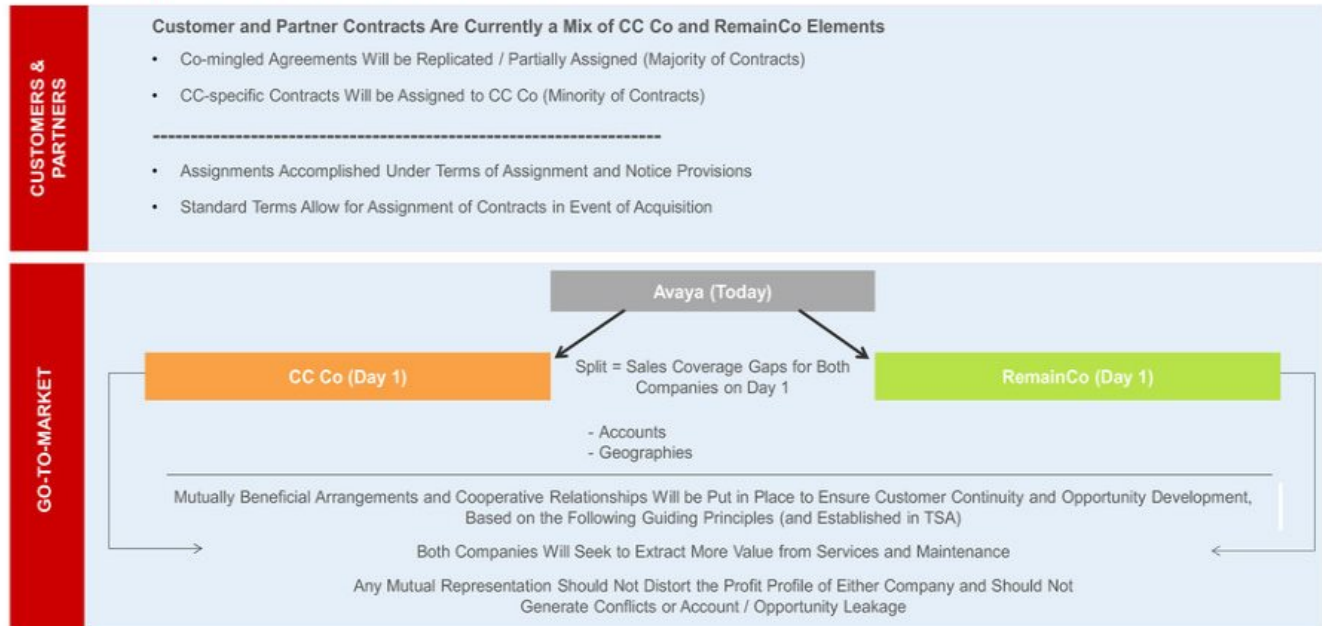




EXHIBIT 99.4

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**PROJECT ARROWHEAD
CLEANSING MATERIALS**

[DECEMBER 2016]



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ARROWHEAD CLEANSING MATERIALS

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Business Overview and Latest Financial Outlook



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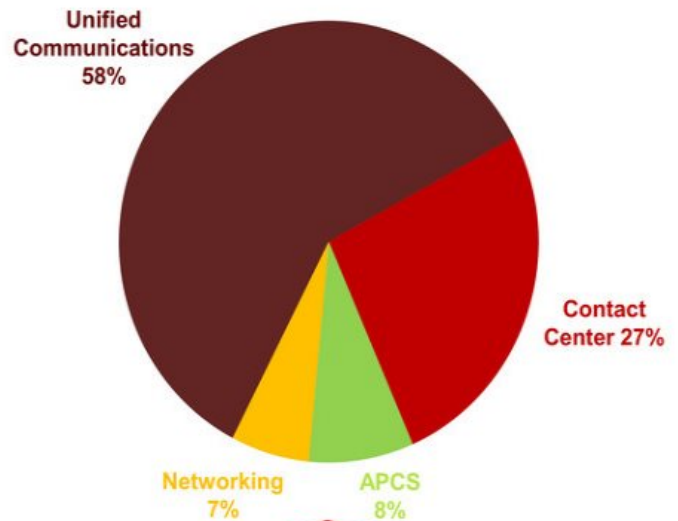
AVAYA SNAPSHOT

What Avaya Is Today

- ▶ \$3.7B FY 2016 revenue driven by:
 - ❖ Large, leading Unified Communications ("UC")
 - ❖ Large, leading and growing Contact Center ("CC")
 - ❖ Differentiated Avaya Private Cloud Solutions ("APCS") and Fabric Networking
- ▶ Broad footprint:
 - ❖ Broad Enterprise/Service Provider Customer Base: 300K+
 - ❖ Broad Partner Ecosystem: 7,000+
 - ❖ Significant investor in R&D: 5,359 patents²
- ▶ Innovation leader beyond UC / CC
 - ❖ Zang: a new wholly-owned company focused on Cloud-based Communication Platform as a Service
 - ❖ 1,000+ security/ wireless fabric customers
 - ❖ 300+ instances / 100+ snap-ins for work flow automation (Breeze)

Business Mix¹

FY 2016 Revenue: \$3.7B



#1 in Contact Center

#2 in Unified Communications

Notes:

Segmentation subject to ongoing management review and revision.

1. UC, CC and Networking revenue include product, maintenance and APS revenues; UC in above chart includes GSMB and Other Services.

2. Avaya Management as of 9/30/16.

Source: Avaya Management; Gartner, Infonetics, Wainhouse, MZA



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SaleCo and RemainCo Summary Overview



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FINANCIAL OUTLOOK POST-DISAGGREGATION

Following the sale of CC, APCS, Emerging Technologies (i.e., SaleCo) and Networking segments, Avaya's RemainCo business will comprise the Company's UC and GSMB segments.

<u>SaleCo.</u>	Proj. 2017	Proj. 2018	Proj. 2019	Proj. 2020	'17-'20 CAGR	
Total Revenue	1,357	1,420	1,506	1,600	6%	
Gross Margin GM %	867 64%	906 64%	958 64%	1,012 63%	5%	
Adjusted EBITDA	483	502	529	555	5%	
Adj. EBITDA %	36%	35%	35%	35%		

SaleCo projection model was developed by the Company in September / October 2016 in conjunction with its M&A advisors. The following key considerations should be observed:

- Represents combined standalone financials for Company's CC and APCS business segments
- As of November 2016 and remains subject to further revision
- In-court restructuring process is not contemplated

<u>RemainCo.¹</u>	Proj. 2017	Proj. 2018	Proj. 2019	Proj. 2020	Proj. 2021	'17-'21 CAGR	
Total Revenue	1,774	1,600	1,484	1,393	1,355	(7%)	
Gross Margin GM %	1,101 62%	1,033 65%	965 65%	922 66%	912 67%	(5%)	
Adjusted EBITDA	444	516	511	484	497	3%	
Adj. EBITDA %	25%	32%	34%	35%	37%		

RemainCo projection model was developed by the Company in November 2016 based on the following critical assumptions and subject to ongoing management review / revision:

- Consummation of M&A transactions for CC, APCS and Networking segments
- Divested SaleCo carved-out of wholeco financials based on preliminary analysis as of November 2016
- In-court restructuring process
- Post-disaggregation, RemainCo accelerates its cost reductions as it sheds costs of complexity that are considered to be unyielding under the existing 'wholeco' business, as well costs supporting the SaleCo TSA (subsequent to TSA expiration)

Note:

Forecasts subject to ongoing management review and revision. SaleCo financials reflect M&A standalone version shown to bidders in November.

1. RemainCo Adj. EBITDA excludes TSA-related ICE

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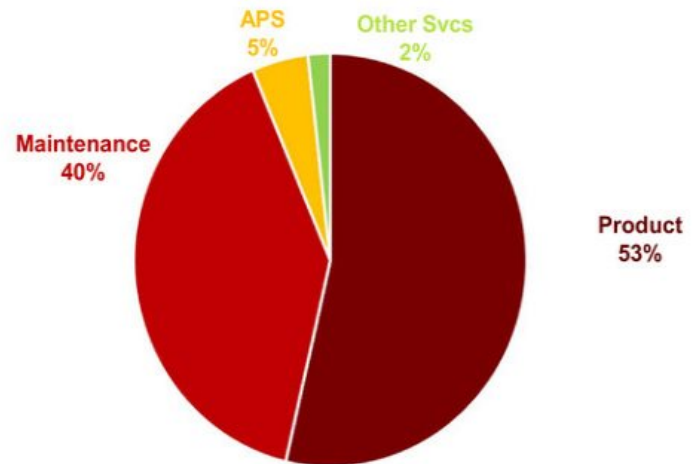
REMAINCO SNAPSHOT

RemainCo Overview / Strategy

- ▶ RemainCo (Avaya Communication & Services or "AC&S") with \$2.1B FY 2016 revenue:
 - Leading UC products include Aura, IP Office, Endpoints
 - Large Maintenance revenue base
- ▶ Positioned for long-term revenue stability, driven by growing contribution from NextGen products and services to offset ongoing Heritage product erosion
- ▶ Upside potential from initiatives including:
 - Go-to-market ("GTM") optimization including focus on direct channel sales
 - New NextGen product launches
 - Maintenance / Professional Services initiatives including direct channel focus and new service offerings
 - Cloud / subscription services
- ▶ RemainCo leadership to comprise experienced members of Avaya management team having delivered 5 consecutive years of restructuring results
- ▶ Key cost areas and levers have been identified
- ▶ Expected "Day 1" headcount of ~6K employees

Business Mix¹

FY 2016 Revenue: \$2.1B



#2 in Unified Communications

Notes:

Segmentation remains subject to management review and revision.

1. Above chart includes GSMB and Other Services.

Source: Avaya Management; Gartner, Infonetics, Wainhouse, MZA



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